

CLASSIFICATION **RESTRICTED**
 CENTRAL INTELLIGENCE AGENCY
 INFORMATION FROM
 FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT

STAT

CD NO.

COUNTRY China
 SUBJECT Political
 HOW PUBLISHED Daily newspaper
 WHERE PUBLISHED Shang-hai
 DATE PUBLISHED 31 Mar 1949
 LANGUAGE Chinese

DATE OF INFORMATION 1949

DATE DIST. 23 May 1949

NO. OF PAGES 3

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF EXECUTIVE ORDER NO. 12958, AND IS CLASSIFIED "RESTRICTED" BY THE NATIONAL SECURITY AGENCY. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Shen Pao.EXECUTIVE YUAN ADMINISTRATIVE PROGRAM

As outlined by Yuan President Ho Ying-ch'ing, the present administrative program of the Executive Yuan includes the following points:

Political

1. Welcome of all foreign aid designed to improve the people's livelihood, providing such aid does not impair national sovereignty.
2. Unification of the penal code, and simplification of judicial processes.
3. Reformation of the division of powers between the central government and local governments to avoid overcentralization, and to advance local autonomy.
4. Extension of autonomy in the border regions, and improvement of the livelihood of the peoples in those areas.
5. Improvement of the administration of overseas Chinese affairs.
6. Gradual extension of land reform.
7. Improvement of the grain-tax system.
8. Improvement in the treatment of public servants to afford them security, and establish honest and efficient public administration.
9. Increase in educational appropriations to assure education of all classes, and simplification of educational laws.
10. Reorganization of the governmental structure to save manpower and resources and to raise efficiency.
 - a. Reorganization of the subordinate units of the Executive Yuan by elimination, merging, or transposition.

RESTRICTED

CLASSIFICATION											
STATE	<input checked="" type="checkbox"/>	NAVY	<input checked="" type="checkbox"/>	NSA	<input checked="" type="checkbox"/>	DISTRIBUTION					
ARMY	<input checked="" type="checkbox"/>	AIR	<input checked="" type="checkbox"/>	FBI	<input checked="" type="checkbox"/>						

RESTRICTED

STAT

b. Provinces should as a rule have four offices -- civil affairs, finance, education, and reconstruction -- and two departments -- secretariat, and accounting. Municipal governments should have, along the lines of the provincial organization, four offices and two departments.

c. The operational and financial structures of national and public enterprises should be thoroughly reviewed by management officials, and treatment of employees brought into accord with that of other public servants.

11. Thorough discussion and coordination of present laws. Those with nationwide application should be treated as principles, without burdensome details, as a means of affording flexibility.

Military

1. Maintenance of original defense lines by front-line troops. Preservation of the present situation so that peace talks may go on successfully.

2. Reduction of troop strength to the lowest number consistent with existing conditions.

3. Improvement in the treatment of government troops, with adequate food, pay, and allowances.

4. Reorganization of the Ministry of National Defense, reducing the number of units of secondary importance and eliminating unnecessary personnel.

5. Reformation of the military service system. Military service staffs should be combined with local administrative agencies. Local militia units will be reinforced.

Financial Administration

1. Restoration of the land tax to local units for their own use, and allotment of a portion of national taxes for local taxation. Aid from the central government will no longer be given, except to border and impoverished provinces.

2. Adjustment of communications and utility charges according to costs, subject to change at any time, to make such units independent of the national treasury.

3. Customs receipts will be calculated in Customs Yuan, which will have a fixed rate of exchange with foreign currencies. They will be bought with gold yuan notes for payment of customs duties, and will not circulate on the market.

4. Establishment of a "tax yuan" unit system to secure genuine receipt of taxes, and avoid loss through delay in payment. All taxes except customs duties will be paid in tax yuan. Each tax yuan will exchange for .5125 grams (1 shih fen) of gold, and will be bought with gold yuan notes for payment of taxes only. They will not circulate on the market.

5. Establishment of property tax, so that those who have money may make payment in cash.

6. Extension of production loans, with preference to enterprises manufacturing articles of daily need, for the purchase of raw materials, and foreign exchange.

- 2 -

RESTRICTED

RESTRICTED

STAT

7. Permitting of free trade in gold and silver. The Central Bank will be allowed to trade in bullion for the purpose of standardizing the market price, and stabilizing the value of the currency.

8. Permitting of silver dollars to circulate. The government will buy silver and mint silver dollars to increase the number in circulation, and gradually stabilize the currency.

9. Establishment of a cost-of-living index fund, or other value-preserving fund, for the purpose of avoiding losses to the people through inflation.

Economic and Communications

1. Increase in production, with emphasis on articles of daily need, industrial raw materials, and export goods.

2. Encouragement of investment in productive enterprises.

3. Expansion of rural by-products and handicraft industries to compensate for lack of equipment and power.

4. Improvement of channels of transport. In imports, luxury and semi-luxury goods must still be excluded.

5. Active promotion of water, land, and air transport.

6. Active encouragement of all forms of private communications and transport.

- E N D -

- 3 -

RESTRICTED